

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Voluntary _ Public

Date: 3/31/2015

GAIN Report Number: RFATO010

Russian Federation

Post: Moscow ATO

Moscow City Officials Crack Down on Energy Drinks

Report Categories:

Retail Foods

Agriculture in the News

Agricultural Situation

Approved By:

Erik W. Hansen

Prepared By:

ATO Moscow Staff

Report Highlights:

Moscow city officials recently passed a law banning the sale of alcoholic energy drinks in the capital. In addition, only adults who present identification will be served non-alcoholic energy drinks. The law enters in force on May 1, 2015. The Moscow city law applies to all beverages with an alcohol content of between 1.2 and 9 percent that also contain caffeine or other "tonic" components. Fines for violating the law range from 5,000 to 10,000 rubles (\$80 to \$160) for individual sellers and up to 100,000 rubles (\$1,600) for companies with the confiscation of such goods.

General Information:

On March 18, 2015, Moscow city officials passed a law titled, "Setting Restrictions on Sale of Low-Alcohol Tonic Beverages in Retail" which introduces a ban on the sale of alcoholic energy drinks in the capital. In addition, the law states that only adults who present identification will be served non-alcoholic energy drinks. Restrictions will take effect on May 1, 2015. According to article #14.16 of part 3 of the Administrative Violations Code of Russian Federation, fines for violating the new law will range from 5,000 to 10,000 rubles (\$80 to \$160) for individual sellers and up to 100,000 rubles (\$1,600) for companies with the confiscation of goods.

The authors of the initiative believe that these drinks are harmful to the health of young people – the primary purchasers of such products. The Moscow city law applies to beverages with an alcohol content of between 1.2 and 9 percent that also contain caffeine or another tonic component. Twenty Russian regions already have implemented similar bans and 13 other regions, including the Moscow region, are working on low-alcohol beverages sale restriction as well.

According to the Russian Research Center of Federal and Regional Alcohol Markets, 217 million liters of low-alcohol tonic beverages were sold in Russian in 2014 with about half of them being alcoholic energy drinks. It is estimated that roughly 70 percent of young Moscow residents have tried alcoholic energy drinks. In 2014 more than 10 million liters of alcoholic energy drinks were sold in Moscow – roughly 10 percent of total sales in Russia. The largest manufacturers of alcoholic energy drinks in Russia are the United Bottling Plant Group (brands Jaguar, Red Devil) and the Group of companies "Alcon" (Strike).

Low-alcohol tonic energy beverages must now be pulled from all Moscow shelves by May 1, when the ban comes into effect. Below is an unofficial translation of the new law.

BEGIN UNOFFICIAL TRANSLATION:

Setting Restrictions on Sale of Low Alcohol Tonic Beverages in Retail

This Act establishes restrictions on retail sale of low-alcohol tonic beverages to protect health, morals, and the rights and legitimate interests of the inhabitants of the city of Moscow.

Article 1. The Basic Concepts

In this law, low-alcohol tonic beverages are those containing ethyl alcohol up to 9 percent of finished products containing caffeine or another tonic component.

Article 2. Restrictions in the Retail Sale of Low-Alcohol Tonic Beverages

On the territory of the city of Moscow, the sale of low-alcohol tonic beverages in retail is not allowed.

Article 3. Liability for Violation of This Act

Legal persons, officials, sole proprietors and citizens who violate the requirements of this law shall be liable in accordance with the legislation of the Russian Federation.

Article 4. Final provisions

This law enters in force from May 1, 2015.

The Mayor of Moscow S.S. Sobyanin

Moscow, Moscow City Duma
March 18, 2015
№ 11

END UNOFFICIAL TRANSLATION.

The law published in Russian can be found at http://duma.mos.ru/ru/38/adopted_documents/8075